

**A Work Project, presented as part of the requirements for the Award of a Master Degree in
Management from the NOVA – School of Business and Economics.**

“THE BEGLOCAL FRAMEWORK APPLIED TO B2C E-COMMERCE”

GIACOMO DURANTE - N° 1934

A Project carried out on the Master in Management Program, under the supervision of:

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Abstract: This case-study examined the use of the BeGloCal Framework applied to B2C E-commerce, for a fast moving consumer goods European manufacturing firm. It explains how the framework supported the team within the company to identify the right local market as to where to start the project, the problem for the company was to find the most appealing area to invest resources. By going through all the steps of the framework the findings led the company to London (Kensington and Chelsea). It shows how managers should act when they have to find a trade-off between standardization and adaptation.

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Professor Luis Filipe Lages.

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“The BeGloCal Framework applied to B2C E-commerce”

1. Challenge: Improving Online Sales

27th August 2015, in Lisbon, Mr. Santos (CEO of EMF), Mr. Harris (International Marketing Director of EMF) and Prof. Lages (Professor at Nova School of Business and Economics) decided to sit down to address a challenge: B2C E-Commerce is booming and Mr. Santos wants to take advantage of this trend for his company. However, EMF cannot afford huge investments due to its limited resources. So, this meeting was held in order to find a solution to this problem: improving the B2C on-line business with a limited budget!

EMF is a European manufacturing firm of fast moving consumer goods. It is also an expanding international name, with a growing presence in a wide array of international markets (70 countries;

3 branches). Prof. Lages was invited to the meeting to suggest a way to find a solution for EMF. In order to solve this problem he proposed a framework created by himself, the “BeGloCal Framework” (Lages 2015). This Framework was created to identify the right local market for a given product/service. This framework helps to manage a paradox by leading EMF in terms of economies of scale and at the same time satisfying local needs. In order to adopt the BeGloCal Framework, EMF hired a consultancy company called GiaNte, which in the past had already collaborated with Prof. Lages and knew the characteristics of the framework.

2. GiaNte at EMF

The first meeting between Mr. Santos, Mr. Harris, Prof. Lages and GiaNte was positive, the objectives were well defined, the purpose of the project was to use the BeGloCal Framework in order to find the right local market as to where to start advertising the on-line store and possibly find a local partner to push the sales. Mr. Harris did not seem entirely happy at first. He believed that the project was too vague and would need further focus. Prof. Lages intervened by supporting this point of view but also explained that *“the main characteristic of the framework is its flexibility and dynamicity, which is the reason that would allow the team to apply ongoing modifications, in every step of the process!”*

In order to understand the situation within EMF, the GiaNte team organized meetings and interviews with members of the organization, in order to understand the dynamics of the business, the market, the production and shipment processes better. The GiaNte team realized that there were divergent feelings within EMF about the on-line store. Some had concerns about the shipment process. For example, the Web Manager said: *“if I receive an order for a small pack to send to Germany, the shipment costs were considerably heavy because it is not like selling smartphones!”* On the other hand, others seemed to be confident about the potential of the online store. For example, the New Product Development (NPD) Director mentioned that: *“in order to accelerate the NPD process it was important to have limited inventory stocks of old products and be able to*

introduce new products quicker". Through on-line sales and on-line promotions one might get rid of the stocks and this would facilitate the launch of new products.

3. Applying the BeGloCal Framework to Online Sales

Once GiaNte had collected the initial inputs inside EMF, the team moved to the implementation of the BeGloCal Framework. Within the BeGloCal strategy it is possible to identify nine steps/stages: Background, Engagement, Global Funnel, Local Funnel, Validation, Orientation, Creating Value, Adaptation and Launch (Exhibit 1).

3.1. Background

A preliminary strategic analysis was conducted with a set of people from EMF, working at several different levels. In this analysis GiaNte recorded the perceived threats, opportunities, weaknesses and strengths of the business, with an eye on the online business. The team also made an effort to identify how to satisfy the perceived market gap. The GiaNte team defined its vision as *"helping the company to expand its online business to a global scale, while amplifying its current visibility in order to create a distinctive and recognizable online service"*. The mission was presented as *"being able to identify the market with the best potential as to where to invest in order to raise the company's online business."* GiaNte also analyzed the factors that were influencing EMF by performing a TOWS analysis (Exhibit 2). The EMF brand had a good potential to create "buzz", but the brand awareness was still limited (small global brand).

The company has different product lines in the on-line store. However, in order to develop a solid plan it was important to select the product line with the highest potential. After a meeting between the GiaNte and the Web Manager's team to develop an in-depth analysis of the sales and targets for the on-line store, TP Colors, a differentiated colors-concept product was identified as the most appealing product line. The main differentiator of the product is that the company was acting on a traditionally non engaging product category, of easily replaceable products in a market

characterized by a low product differentiation, but with TP Colors, EMF was able to rewrite the concept of this category, by transforming a “common” or “boring” product into a fashionable product. As stated by the Web Manager: *“people ask for TP Colors because it is cool, a fashionable item, sexy!”*

But there was still a bit of skepticism on the team, especially when Mr. Harris asked whether it was crucial to identify the market pain: *“Why would people buy a TP Colors in their on-line store?”* At this stage of the project it was decided to find a compromise due to not having a well-defined market need. However, there was common agreement that there was a lack of availability of valuable products in the physical stores. GiaNte presented the solution for this market need as *“providing the unique experience of TP Colors cross-borders”*. The solution provided at this time was vague, but it was a starting point for the team.

3.2. Engagement

Research into E-commerce trends (Exhibit 3), global and per geographic areas, was conducted in order to clarify the general situation regarding the on-line business. In a secondary moment, and to acquire a global overview of the industry, the team developed a 5 Force Porter analysis (Exhibit 4), highlighting the threat of new entrants and substitutes, the bargaining power of buyers and suppliers, and the intensity of rivalry. GiaNte studied on-line direct competitors and indirect competition (e.g. mass-retailers’ on-line stores). This allowed EMF’s strongest attributes to be identified versus existing alternatives in the market.

Another important point at this time was the competitor analysis. It is difficult to identify direct and close competitors for such a category. Besides mass-retailers who sell substitute products, GiaNte has also studied two main specialized competitors at Global level; two companies with a similar positioning. A producer of paper with a special packaging featuring fruit shapes (strawberry, kiwi, orange, etc.) was positioned as a premium product in the same way as TP Colors. This company

does cross-border deliveries but it has limited stocks. Sometimes clients cannot buy this product because there are no products available, which gives a negative feel to the shopping experience. The second company produces the most expensive paper in the market. Production uses heat at just the right temperature to make sure the paper doesn't burn and comes out wonderfully soft. They also have limited stock and the web-site is written in Japanese and is therefore not user-friendly compared to the European manufacturing firm.

The company's brand awareness was not really strong in Social Media due to lack of investment. The Web Manager mentioned that the company had tried to launch its page on Facebook, but they did not have any experience in Social Media Strategy and the page was unsuccessful. Now, slowly, they were trying again. However, Social Media (e.g. Facebook, Twitter, Flickr, Instagram) is playing a huge role in the world of E-Commerce. Social Media strategies are particularly important for companies that want to have visibility on-line and do not have high budgets to invest in advertising. (Socialbakers.com)

3.3. Global Funnel

Two weeks after the beginning of the project, GiaNte had an initial discussion of the Global and Local filters, which would lead to the local market as to where to start investing to develop the on-line business. The CEO requested GiaNte to look for "the best cities with more than 10 million inhabitants for the company to develop an E-Commerce strategy!" GiaNte would need to gather additional information in order to analyze these cities and later on identify the city with the highest potential ("bang for the buck"). For the Global Funnel, instead of using the traditional approach of selecting countries, it was decided to start by analyzing Economic Regions of the World: North America, Latin America, Australasia, the Middle East and Africa, Asia-Pacific, Western Europe and Eastern Europe. With this system, the GiaNte team could include more cities in the earlier stages of the Local Funnel.

A list of filters was created by GiaNte (Exhibit 5), after meetings and discussions with employees of EMF who had the right knowledge about the product and the B2C E-Commerce industry. The team conducted a survey within EMF, addressed to 16 people working on different levels and departments, to evaluate the importance of the filters identified during the meetings. They were asked to grade each filter from 1 (less important) to 5 (extremely important). After the survey, a second meeting was held to study the results and decide the pecking order of the filters. Mr. Harris then said: *“We cannot order the filters just according to their average points, because in this way we consider all the opinions at the same level”* Indeed this was true, so the solution was to find the standard deviation of these results, in order to perceive the range of error for each filter. The filters with the highest standard deviation and consequentially the highest instability, were discussed during the brainstorm that happened next. The reasoning behind the priority of the filters was to start with the filters that were considered fundamental to begin the project, and to finish with the filters which could highlight the region where the market need for this product was stronger. By doing this, GiaNte and EMF, more precisely with Mr. Harris and with the web manager and his team established the order of the filters for applying the Global Funnel, which was the following:

1. Markets with an efficient logistics index¹: since this is an on-line business, logistic services in the country are important to consider in order to provide an excellent delivery service to the client.
2. Internet total users * internet penetration rate (%)²: This filter is used to obtain an index able to indicate countries with a relevant number of internet users, more people use the internet and more potential clients might be attracted to the company.
3. Markets where B2C E-commerce has been growing in the last two years³: considering Internet and Mobile retailing volume of sales: by measuring these two elements the team will know where the E-commerce's trend is booming.

¹ Source: Worldbank Database.

² Source: Euromonitor Passport Database – Internet total users and internet penetration rate.

4. GDP per capita * Growth of GDP per capita (2009-2014)⁴: this will allow the team to build an index in order to see the countries with the most stable GDP.

5. The “Social-Desirability Ambition” index: an index calculated by taking into consideration expenditures per capita in the categories “Personal Care” and “Jewellery”⁵: since TP Colors is a fashionable item, with this index the team wants to measure the area where people are more willing to buy these kinds of special and characteristic products.

Once the order was set, the team started to filter the Economic Regions for each level, in order to obtain after the last filter the region with the highest potential. At the end, the Global Funnel has led the team to Western Europe as the most appealing area as to where to apply the Local Funnel (Exhibit 6), which was the following step of the project.

3.4. Local Funnel

As mentioned before, the main request of Mr. Santos, the CEO of EMF was to find among cities with at least 10 million inhabitants the best local markets to implement this E-Commerce strategy. After several meetings between the CEO and GiaNte, it was agreed that these numbers could make EMF lose important opportunities in other big cities with a smaller population, because the product was aimed to a niche of people, a small part of the population. Hence, it was decided to move the focus from cities with more than 10 million inhabitants to cities with more than 5 million inhabitants. After deciding on the first filter for the Local Funnel, it was decided that the other filters should be quite similar to the filters used before for the Global Funnel. This approach has the advantage of keeping a linear while making all the process easy to repeat or to modify for future use. The reasoning of the priority of the orders used was the same as for the Global Funnel.

In conclusion, the filters for the Local Funnel were:

³ Source: Euromonitor Passport Database – Internet retailing (2013-15), Mobile retailing (2013-15).

⁴ Source: Euromonitor Passport Database – GDP per capita, growth of GDP per capita (2009-14).

⁵ Source: Euromonitor Passport Database – Expenditures on “Personal Care”, expenditures on “Jewelry”.

1. Cities > 5 Million inhabitants in Western Europe considering the metropolitan area.
2. Internet total users * Internet penetration rate (%).
3. GDP per capita * Growth of GDP per capita (2009-2014).
4. “Social-Desirability Ambition” index.

The cities analyzed through the whole process were: Ankara, Barcelona, Berlin, Istanbul, London, Madrid and Paris (Exhibit 7). After analyzing the different filters, GiaNte arrived at the conclusion that London was the most appealing local market for EMF.

The team started considering applying another Funnel to London, in order to find the most appealing area in the city that could be used as a reference point for implementing the warehouse (local logistic provider) for instance to be closer to clients or to select a good point to advertise (physical advertisement).

Two filters were applied: Housing prices of the Boroughs in London and Household income per Borough⁶. These were the filters selected because the team wanted to identify the area in London where people have money and spend their money for shopping. The researches indicated Kensington and Chelsea as the most appealing area in London for EMF.

3.5. Validation

Validation is a “milestone stage”. At this stage, the GiaNte team sat with the board to evaluate what had been done so far. At this stage, the “Poker Method” was used (Lages 2015) in order to gather feedback from the previous steps and obtain input for the future. The “Poker Method” is a further element which makes the framework agile and flexible and that allows ongoing modifications decided with the board. More specifically after the meeting with the board, the GiaNte team found that they should:

⁶ Source: london.gov.uk/dataset

- “Bet”: on building a specialized local logistic provider for the future, once the business grows, a warehouse would be perfect to improve the shipment process and customer service with faster deliveries. Moreover, potential local partnerships with on-line local stores might be a good opportunity to penetrate the market in the initial phase.
- “Check”: Positioning, targeting and the “added value” had to be checked for the board, they were considered not yet well defined and too naïve.
- “Call”: The filters selected for the funnels were positively judged by the board together with the Mission and Vision of the project.
- “Raise”: The GiaNte team and the board agreed that the Social Media Marketing Strategy of the company might be improved because this project was considered to be a great opportunity for doing it. The quality of the web-site, which was already good and promptly responsive could be developed, for example by adding more contents connected to Social Media to make the “shopping’ experience” more intriguing for the clients. (Eg. Online contests)
- “Fold”: Some filters suggested by people within the team and the company were excluded also for future funnels by the fact that they were considered to be unmeasurable or too “volatile”.

3.6. Orientation

In this session the team collected market and team knowledge regarding the local market (London), with an analysis of the e-commerce trends and the on-line players already in the market to see possible opportunities to find the right partners in the market for the implementation strategy.

Particular attention was paid to E-Commerce websites with their physical stores in London that were selling goods such as: gifts, design, homewares, furniture, and accessories. So GiaNte was looking to these stores (UrbanOutfitters, John Lewis, Heal’s, Notonthehighstreet.com, Suckuk and Selfridges) as possible local partners to sell EMF products. Moreover, they were also analyzed as

potential alternatives and possible indirect competitors, because these on-line stores were selling products that may be considered as alternatives or replacements of TP Colors.

After a discussion within EMF, the choice of London was reinforced due to the fact that London was elected as the third Fashion Capital in 2015. This is strongly related with the product of EMF, since TP Colors wants to inspire senses, fashion, art and willingness to be different. Moreover, GiaNte has also checked numbers related to the usage of Social Media in London (Exhibit 8) and the numbers indicated that a lot of users followed companies on Facebook, which it could be used as an important advertisement platform.

3.7. Creating Value

One unanswered question concerned the main attributes that EMF had to improve in order to create value and also to differentiate from competitors and become more attractive to London consumers.

In this section the GiaNte team focused on who would serve as customers, what they demanded, and the products and services that were possible to offer on the local market. This analysis would be useful to describe the EMF offer against the local alternatives in the on-line channels. GiaNte and EMF members built a matrix to compare local alternatives (indirect competitors) regarding different attributes valued by the consumer: attractiveness, prices, delivery speed, stock, shopping experience, product lines. After an intense study of the main differences between EMF and its local alternatives, GiaNte found out that EMF had two major competitive advantages: First, the attractiveness, since only EMF was selling that kind of product and no other company in the market could offer it. Second, the shopping experience, which was already good due to the fact that TP Colors was never out of stock for its clients and because it had a good-quality website (Responsive Design Mobile-Friendly website). GiaNte proposed that by pushing and improving these two

unique attributes, EMF could improve its position on the market and possibly create more value for consumers.

3.8. Adaptation

In order to move to the implementation plan, GiaNte gathered information about existing and potential EMF partners. Should EMF use local partners as channels to sell its products? According to the key account manager for the UK, EMF already had local partners in London, most of them being mass-retailers which were also selling on E-Bay. These retailers were more focused on a different target market than the one for TP Colors. The KAM (Key Account Manager) for the UK also showed his concerns regarding two other problems, saying that if they tried to sell in the UK, their existent partners would be worried about that because if they directly pushed their products they would probably sell less”, and with regards to looking for possible new partners he said they had tried in the past to look for partners to sell TP Colors in London, but the local on-line stores did not seem to be interested”. After the meeting with the KAM of UK, GiaNte was thinking of abandoning the idea of finding local on-line stores for possible collaborations in early-stage projects.

As part of the implementation part, the team had to decide the business model addressing the entry mode in London. Mr. Harris raised the question of whether they should set up a specialized local logistic provider in London in order to improve the shipment process and the service for their clients. That was a tricky question because it was hard to forecast the costs and benefits of renting a warehouse. For this reason GiaNte decided to create two business models representing two possible scenarios, one in an initial stage without a warehouse and one in a later stage with a warehouse (Exhibit 9).

GiaNte also provided recommendations regarding the Social Media strategy that EMF was adopting. As a consequence of negative past experiences, as mentioned before, brand presence in

Social Media platforms was weak; EMF did not have much expertise and a sustainable budget to support it. GiaNte team also implemented a strategy for Social Media. In this case GiaNte was proposing to create the “TP Colors Contest” where users would post pictures with art, design or fashion creations with the opportunity of obtaining a promotional code and recognition from the community.

3.9. Launch

As a last step, GiaNte and EMF decided the launch of the project, by going through the 3Ms, Men, Minute and Money (Exhibit 10). Basically in this part, the team assigned tasks to each member of the team, assuming a budget based on the forecast of costs and sales and established a calendar with milestones to run this project.

4. Conclusion

The GiaNte team finalized the project together with the team from EMF and fixed a date for the final presentation with the CEO who was curious to know where the framework was leading EMF and how. Mr. Harris was a little nervous because the CEO was looking for something different and at the beginning of the project his requests were a bit different from the final outcome produced by GiaNte and EMF team. But the team from the consultancy company reassured Mr. Harris, by saying as they had mentioned in the beginning of the project, one of the strongest points of the framework was its flexibility. If in the future EMF decides to look for alternative markets, it could keep the “skeleton” of the project and by just moving or changing the filters you would have different scenarios. At the end you would choose the option that made more sense in that particular case”.

On the day of the final presentation the team was feeling confident about the project and the ongoing progresses adopted and the feedback received also from an external presentation in front of 48 students at Nova, but the last word was left to the CEO and the board of EMF.

TEACHING NOTE

1) Case Overview:

This case shows the real application of the BeGloCal Framework to EMF, an European manufacturing firm selling disposable paper products. The company had a problem in improving its on-line business and wanted to use the framework in order to identify the right local market to start an implementation plan. The case shows how a consultancy team collaborated with EMF in order to implement the different steps of the BeGloCal framework: Background, Engagement, Global Funnel, Local Funnel, Validation, Orientation, Creating Value, Adaptation and Launch. At the end, an appealing destination emerged for which an implementation plan was built. Overall, this case illustrates the framework and discussed issues that may have emerged during the process.

2) Teaching Objectives:

- How to implement the BeGloCal Framework to real projects in order to find the most attractive international market.
- A real case where people face different opinions and have to deal with tense situations.
- Highlighting critical points to build a successful International Marketing Strategy.
- Understanding the paradox: Global vs Local (standardization vs adaptation).
- Main differences between Global market (international) and Local market (domestic).

3) Case Questions:

- What is the main purpose of the BeGloCal Framework?
- Did EMF and GiaNte seem aligned at the beginning of the project? Did it change at the end?
- Does EMF really benefit by trying to increase its on-line business? If yes, how?
- How would the 4Cs Social Media Marketing strategy be structured?

- What are the main issues that a company has to overcome when trying to enter a different local market?
- Should GiaNte act in a different way in dealing with the CEO's requests? Should they ignore these requests or should they follow these instructions without any change?
- What does the BeGloCal Framework allow avoidance of in teamwork?
- Does the framework help in having strong elements to show to possible investors? If yes, which ones?
- If so and GiaNte tries to overcome the paradox of Global vs Local, what are the main conclusions about this argument? Is it recommended to opt for standardization instead of adaptation and vice versa or is preferable to balance the two elements?
- What are the limitations of the framework?

ANNEXES

Exhibit 1 - BeGloCal Framework steps.

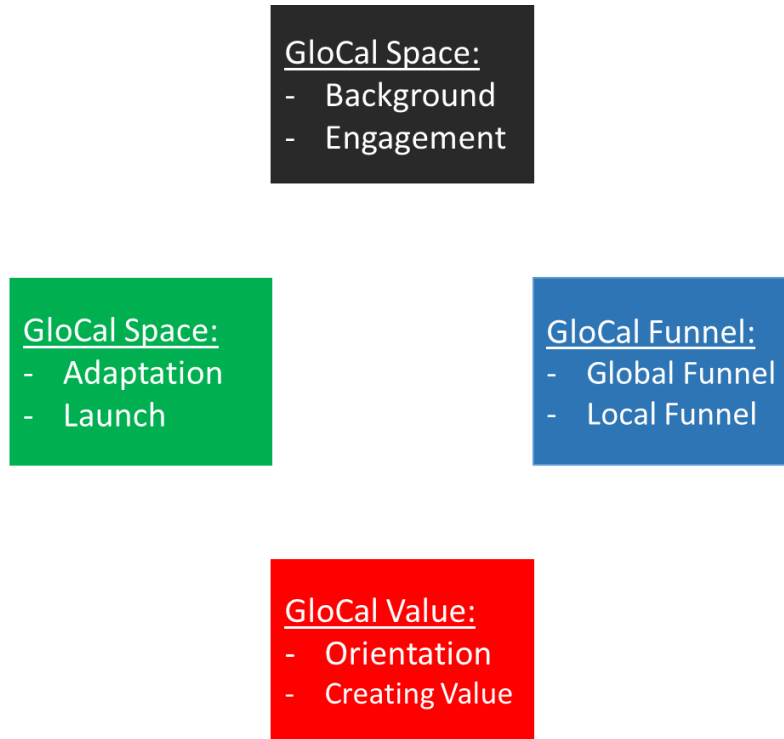


Exhibit 2 - TOWS Analysis.

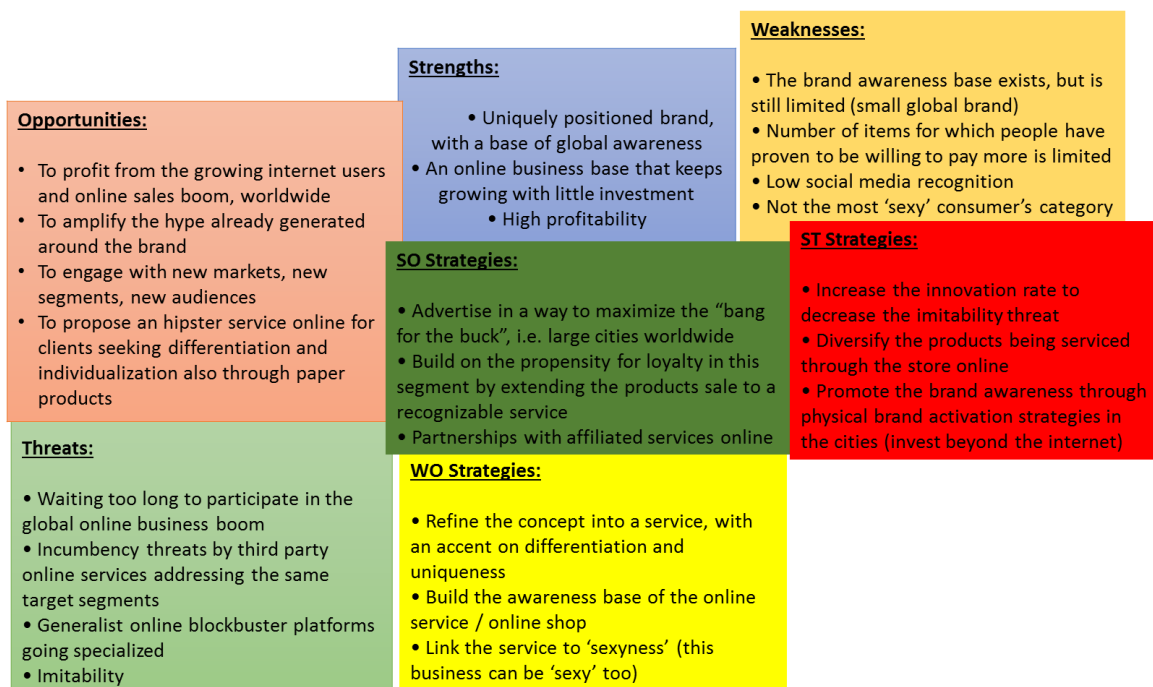


Exhibit 3 – Market knowledge E-Commerce.

The solution has become cross-border e-commerce, largely made available by improved (in terms of time and bureaucracy) shipping routes.



eBay, Amazon and AliExpress are targeting the developing

world's **1.9 billion**

Internet users (as of 2014) and developing partnerships with local postage operators to ensure smooth delivery.

Pre-store top digital shopping activities:



Big role played by Social Media



Exhibit 4 - Porter Five Forces Analysis.

1. Threat of new entrants **HIGH:**

Big retailers and other manufactures have capabilities to enter in this market

2. Threat of substitutes **MEDIUM:**

Customers can go to the physical stores, but this product is not available in all the stores around the world.

3. Bargaining power of buyers **MEDIUM:**

Consumers have a wide range of brands, but not for coloured toilet papers.

4. Bargaining power of suppliers **LOW:**

The on-line store is updated and supported within the company, no outsourced

5. Intensity of Rivalry **MEDIUM-LOW:**

Competition in the on-line channels is not very aggressive, not really direct competitors.

Exhibit 5 - List of filters considered.

	AVERAGE	ST. DEVIATION
Cities with more than 5 million people in the country	3,6	0,99
Internet access (total users)	4,4	0,83
Internet penetration rate (% of population using Internet)	4,53	0,64
Delivery costs (distance from Renova)	3,8	1,08
Social Desirability – “Ambition”	3,93	1,03
Countries/cities where the online business (b2c) has been growing more quickly.	4,2	0,86
No or little protection barriers	3,6	0,91
Growth of medium class	3,4	0,83
Social media usages	3,73	1,03
Ease of doing business in the market	3,47	0,99
Markets with the highest growth in the industry	3,33	0,82
Existence of main on-line players (competitors)	3,33	0,98
Growth of sales of luxury goods on-line (Value)	3,8	1,15
Actual value of sales of luxury goods on-line	3,53	1,25
Value of toilet papers sales through on-line channels	3,47	1,06
Markets where Renova has already distributors	3,73	1,03
Market with efficient logistics	4,73	0,59
Markets where Renova is already advertising	3,13	0,83
Markets where Renova is not advertising yet	2,67	0,72
Promoters already in the country/city	3,27	0,96
Homewares expenditures per capita	3,53	1,06
Products sold by Renova already in the market	3,07	1,1
GDP per capita & growth of GDP per capita	3,93	0,7
Cities with high number of fashion's fairs, high-social events, etc...	3,73	1,03
Number of small luxury hotels	3,4	1,18
Number of small luxury restaurants	3,27	1,03

Exhibit 6 - Global Funnel.



1st Filter: Markets with efficient logistics:
(Asia Pacific, Australasia, Western Europe, Eastern Europe, North America, Latin America)



2nd Filter: Internet total users/Internet penetration rate:
(Asia Pacific, Western Europe, Eastern Europe, North America, Latin America)



3rd Filter: Markets where B2C e-commerce has been growing (2013-2014):
(Asia Pacific, Western Europe, Eastern Europe, Latin America)



4th Filter: GDP per capita/Growth GDP per capita (2009-2014):
(Western Europe, Eastern Europe, Latin America)



5th Filter: “Social-Desirability Ambition” index:
Western Europe

Exhibit 7 - Local Funnel



1st Filter: Cities > 5 Million inhabitants in Western Europe (metropolitan areas):
(London, Istanbul, Madrid, Paris, Ankara, Barcelona, Berlin)



2nd Filter: Internet total users/Internet penetration rate:
(London, Paris, Istanbul, Madrid, Berlin)



3rd Filter: GDP per capita/Growth GDP per capita (2009-2014):
(London, Istanbul, Paris)



4th Filter: “Social-Desirability Ambition” index:
London

Exhibit 8 - Data about Facebook for UK and London.⁷



Top 5 Industries on Facebook Total Fans



Largest Audience

London



Total fans
1 134 727

Visit London



Total fans
744 378

Time Out London



Total fans
652 628

⁷ Source: www.socialbakers.com.

Exhibit 9 - Business Model.












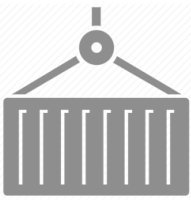

Partners:  <ul style="list-style-type: none"> - TimeOut - Londonist - Local Art and Fashion Events - E-retailers in London - Local on-line stores - Warehouse 	Activities:  <ul style="list-style-type: none"> - Social Media Marketing Strategy - Events Marketing Strategy - Showroom in London - Improving on-line store - Find partners and warehouse Resources:  <ul style="list-style-type: none"> - Web-site development - Local Contacts - Local Partners - Warehouse 	Value Proposition:  <p>An exclusive and valued product for people who want to be different and fashion.</p>	Customer Relationship:  <ul style="list-style-type: none"> - On-line customer service - High interaction with customers through Social Media Channels:  <ul style="list-style-type: none"> - On-line store - E-retailers in London - Local on-line stores 	Customer Segments:  <p>Trendy people, designers, hotel and restaurant managers, owners of local gift shops.</p>
Costs:  <ul style="list-style-type: none"> - People - Marketing (Social Media and Showroom) - Investing in events - Warehouse (handling costs included) 		Revenues:  <ul style="list-style-type: none"> - Sales - Brand Awareness (intangible) 		

Exhibit 10 - Assumption of shipment and warehouse costs.

	Shipping cost of 1 pallet = 145€	Margin per pallet = 957€
	Shipping cost of 1 truck = 2350€	Margin per truck = 32802€
	Shipping cost of 1 container = 1450€	Margin per container = 33252€
		
Warehouse rent per month = 11200€		
Additional costs per month = 5000€		
3 Order Pickers		
3 Packers		
3 Receivers		
3 Stockers		
2 Assemblers		
2 Returns		
1 Inventory Clerk		
1 Warehouse Supervisor		
1 Warehouse Manager		
1 Safety Manager		
Total Salary Cost per month = 60380€		
TOT COSTS PER MONTH = 76580€		

TEACHING SOLUTIONS:

The main purpose of the BeGloCal Framework is to find the right local market to launch or to advertise an existent given product or service through the application of different filters. Of course the first step is to find the market need that the product/service is able to satisfy, globally and then locally.

As mentioned in the case-study, at the beginning GiaNte and EMF were not aligned, due to the fact that the CEO's expectations were different with the scope and the capabilities of the framework.

Going through all the steps of the BeGloCal Framework, the two parts started to collaborate more to collect primary and secondary data and this led to better communication, indeed in this cyclical approach the two parts are expected to build on an effects loop in which the process becomes clearer and more defined that helps to overcome doubts and discordances.

Obviously EMF would benefit by an increasing of its on-line business, but not just because of sales. TP Colors is a brand related to fashion and innovation because of its particular and extravagant product, so by using E-commerce tools, EMF might improve its brand, brand awareness in this case is extremely powerful since this is a product that people are unlikely to forget once they see and know it.

There are four important elements for the theory to consider when a company wants to build an efficient Social Media Marketing Strategy; the 4Cs:

- Creating: create new contents on the page in order to keep the users engaged and to push them to act by posting pictures, videos, comments and so on.
- Curating: brand means increase the curiosity around the brand not just regarding the industry, but regarding general trends. Users care what EMF thinks about different arguments.

- Connecting: On social media being connected with other people is crucial, creating connections with other pages that share the same interest will increase discussions and curiosity around the brand.
- Culture: Defining the culture of the brand on social media is a fundamental step, in order to create a community with the same passions.

Some of the issues that a company faces when trying to enter a local market are described by Isobel Doole and Robin Lowe. Differences in social conditions, religion and material culture all affect consumers' perceptions; moreover cultural differences and especially language differences have a significant impact on the way a product may be used in a market, its brand name and the advertising campaign. Another important element to consider is the legal environment, because a company is affected not just by the laws of the home country, but also by the laws of the host country or by international laws (Eg. EU laws). A good manager also has to consider the economic trends of a particular region, this would help him/her to understand the development of specific countries and to check if markets are profitable at that present time and, more importantly, in the long term. All these variables are taken into consideration indirectly by the BeGloCal framework in all its steps.

As analyzed in the case, there were situations of tension between the consultancy company and the CEO of EMF. In fact, GiaNte had to negotiate some terms with Mr. Santos. Generally, the opinion of the CEO is the most important, but in this case GiaNte had good points supported by strong references, so communication and brainstorming played an important role in this project. There is a need for a "flexible stage-gate model", which follows a structured approach but at the same time molds innovation to internal and external constraints (Christensen 2013).

When a team works in a project, the different members of the team have different opinions and they think in different ways, so sometimes this creates confusion and frustration. There is a need for tools that provide teams with a systematized route to deal with the paradox of choice. Empirical evidence demonstrates that the variety of choice can be demotivating and might create tension

(Iyengar & Lepper, 2000; Schwartz, 2004). By helping to decide among a variety of complex options to find the right local market, the BeGloCal Framework helps teams to avoid affective conflict, be aligned in terms of cognitive conflict, and consequently select the solution with the highest potential to enter the market faster.

Considering its description, the product and the case, it is easy to assume the segmentation, targeting and positioning of TP Colors. In this case, the feeling that the product inspires when a consumer buy it has been described, when a person buys this product, it is because he/she wants to have an extravagant and unique product, a fashionable item that helps to make that person different from others. For this reason GiaNte has indicated the following for the segmentation part of the marketing strategy: “trendy people, designers, hotel and restaurant managers, owners of local gift shops”. After analyzing the potential and the existent targets, GiaNte had identified the target for TP Colors as: “people who want to be fashionable and different, people who want to give a special gift”. Finally the team considered among different attributes the most important two by comparing with competition, the uniqueness of the product and the shopping experience provided by the on-line store, which includes quality of the website and availability of products to order for potential customers. So GiaNte explains the positioning for TP Colors as: “exclusive product mixed with a unique shopping experience”.

The framework was created to show powerful points to possible investors (CEOs, business angels, venture capitalists and public funds), indeed it helps to build an efficient Elevator Pitch, which is crucial when someone presents a project to receive funds. The BeGloCal Framework makes the perfect bridge between the WHAT (i.e. technology, patent, science, services) and the WHY (i.e. why there is a need, a market pain, a problem), while explaining the HOW to achieve that (i.e. prototype, business model). This is the easiest way to capture the attention of investors because if the three elements are made clear, they will be more willing to invest in that project. All the stages

of the framework are made to have an overall linear vision of the entire project, the steps are connected and this makes the framework as a “story” to tell, a good story for potential investors.

Managers that have to implement plans of internationalization often have to find a trade-off, between standardization and adaptation. When two options offer a trade-off (in this case standardization versus adaptation), the final decision requires carefully weighing the pros and cons of each and choosing the one with more advantages and fewer disadvantages (Lewis 2000; Lewis et al. 2014). Standardization for a company means low costs and economies of scale, which is good for a Global-scale strategy, on the other hand adaptation allows a company to satisfy the specific needs of a determined area, preferable for a Local-scale strategy. The BeGloCal Framework allows managers to think at the same time standardization and adaptation strategies to apply for domestic markets. Addressing this standardization-adaptation tension as a paradox calls for identifying both a solution that raises synergies and a distinction of the opposing elements (Lewis et al. 2014: 61). By following the entire process a manager may develop a “GloCal Vision”, which allows for cutting costs while satisfying local needs. The framework leads companies to undertake the right “path” to an efficient International Marketing Strategy; every company is leveraged by different variables (environment, industry, product, etc.) and so each case is different, there is not a single answer for every situation, the GloCal framework helps managers to find the exact trade-off that fits into that particular scenario.

One of the main limitations of the framework is that it needs to be strongly supported by secondary data, the opinions of the external experts are important when one chooses a market or an industry unexplored. It takes time to obtain feedback and comments from people, and sometimes without these data the project cannot advance in a decisive manner. A second limitation is given by the filters, indeed there are unlimited filters that could fit each project, and it is difficult to identify the right ones; moreover often the major obstacle is to decide a methodology to select the filters within the team, performing a survey is not enough in most of the cases.

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